

香港期貨結算有限公司

(香港交易及結算所有限公司全資附屬公司)

HKFE CLEARING CORPORATION LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Risk Management Arrangements in respect of the Lunar New Year Holidays

Enquiry: 2211-6901

All markets operated by the Hong Kong Futures Exchange will be closed for business from 12 February to 13 February 2024, except MSCI Futures and Options¹. In order to assure that safeguards are in place against potential market risks that may arise during the aforesaid period when some of the major markets are open, Participants are kindly reminded to adopt the following risk management measures:

1. Mandatory intra-day variation adjustment call on Clearing Participants in the Hang Seng Index ("HSI"), Mini-Hang Seng Index ("MHI"), Hang Seng China Enterprises Index ("HHI"), Mini-Hang Seng China Enterprises Index ("MCH"), Hang Seng TECH Index ("HTI"), HSCEI Dividend Point Index ("DHH"), MSCI China Net Total Return (USD) Index ("CHN"), MSCI China A 50 Connect (USD) Index ("MCA"), MSCI Taiwan (USD) Index ("MTW") and USD/CNH ("CUS") Futures markets will be made on **9 February 2024**. The intra-day variation adjustment call will be calculated based on open positions existing in the above-mentioned markets at around 12:30 p.m. on **9 February 2024**. You are required to ensure completion of payments within one hour after receiving notification of details on the variation adjustment requirements, if any.
2. The margin levels of HSI, MHI, HHI, MCH, HTI, DHH, CHN and CUS futures contracts will be increased temporarily² after the close of business of T session on **8 February 2024** (i.e. the adjusted margin requirement must be settled on or before 9:15 a.m., 9 February 2024). Details of the temporary margin levels will be announced on 5 February 2024 via a separate

¹ Holiday Trading Participants are eligible to trade Holiday Trading Products (i.e. MSCI Futures and Options) during Holiday Trading Day(s).

² The spread margin rates will remain unchanged during this period.

circular. The margin levels will be restored to normal levels after the close of business of T session on **13 February 2024** (i.e. after settling the day-end requirements as of 13 February 2024, Participants may withdraw their margin surplus, if any, in the morning of 14 February 2024 by submitting withdrawal requests via CCMS by 11:00 a.m.).

Please note that the temporary increase in the margin levels will generally increase the margin requirements for contracts in the above-mentioned markets as at the close of 8 February 2024. While the degree of increase may vary from portfolio to portfolio, the impact on the margin requirements could be greater for certain index options series, especially those out-the-money series which are most sensitive to an increase in the underlying futures' margin levels. A simulated Risk Parameter File ("RPF") with temporarily increased margin levels to assist Participants for margin estimation will be provided upon request by email to RMInquiry@hkex.com.hk. Detailed arrangement will be included in the margin circular to be released on 5 February 2024.

Please ensure that your staffs are fully aware of both the temporary increase in the margin levels and the mandatory intra-day variation adjustment call and make necessary arrangement with your designated bank. You are also strongly advised to give advanced notice to your clients regarding these arrangements where appropriate and ensure that adequate margin deposits from your clients are maintained during the holiday period.

Despite the mandatory intra-day variation adjustment call mentioned above, the Clearing House may make additional intra-day variation adjustment calls on 9 February 2024, should market conditions warrant.

The Clearing House considers it appropriate to remind you the importance of having proper arrangement in place before and after the holiday period as those days are normal settlement days. In case of any key staffs on vacation before and after the holiday period, please ensure that your backup staffs are familiar with the operational and monitoring procedures to adequately monitor your exposure and fulfill the payment obligations to the Clearing House on time. Any failure in meeting the settlement timelines is an event of default under HKCC Rule 509. Please refer to the circular issued on 19 July 2023 (Reference No: [CD/CDCRM/179/2023](#)) for more details on the

payment obligations of the Participant and the consequence of the delay or failure in meeting the obligations.

For and on behalf of
HKFE Clearing Corporation Limited

Sally Tai
Authorized Signatory